

What is claimed is:

1. A method for generating funds for a foundation, comprising:
  - A. insuring a block of individuals with a set of life insurance policies and naming said foundation as a beneficiary of said insurance policies;
  - B. funding said life insurance policies by a third party with an amount at least as great as corresponding life insurance premiums;
  - C. investing a substantial portion of said premiums and obtaining an investment return and defining a cash value from said premiums and said investment returns;
  - D. paying death benefits by said insurer on deceased individuals from said block of individuals;
  - E. guaranteeing a mortality rate, wherein if an actual mortality rate is lower than a projected mortality rate, a re-insurer makes one or more reinsurance payments under a reinsurance policy to compensate for a corresponding shortfall in death benefits;
  - F. paying said foundation at least a minimum annual cash flow for a program period from said cash value; and
  - G. repaying said third party amount and paying premiums for said reinsurance policy from said death benefits and said reinsurance payments.

2. A method as in claim 1, wherein said life insurance policies are variable single premium universal life policies, wherein the single premiums are due at issuance of said life

3 insurance policies.

1 3. A method as claim 1, where in said block of individuals includes about 5,000 or more  
2 individuals.

1 4. A method as in claim 1 wherein an age range of said individuals is from about 25 years of  
2 age to about 70 years of age.

1 5. A method as in claim 1, wherein said third party amount is a loan taken from a lender for  
2 a loan term, wherein said loan term is not greater than said program period and said loan  
3 term includes a first period and a second period, wherein loan interest are made payments  
4 to said lender through said first period, a loan principle payment is made to said lender at  
5 a close of said first period, and equity supplements are paid to said lender during said  
6 second period.

1 6. A method as in claim 5, wherein said loan term is 20 years, said first period is years 1-17  
2 and said second period is years 18-20.

1 7. A method as in claim 1, wherein said reinsurance payments and said death benefits are  
2 held in an escrow account managed by a trustee.

1 8. A method as in claim 7, wherein said trustee is a nominee trustee that holds the life

insurance policies and files death benefit claims against said life insurance policies.

9. A method as in claim 7, wherein said escrow account is seeded with an initial escrow amount that is at least as great as a first year's interest on said third party amount, a first year's reinsurance premium, and a first year's trustee fee.

10. A method as in claim 1, further including paying from said third party amount start-up costs, including an insurance installation fee and a first year reinsurance premium.

11. A method as in claim 1, wherein a program manager obtains said lender, said insurer, and said re-insurer on behalf of said foundation.

12. A method as in claim 1, wherein a program manager manages said investing of a substantial portion of said premiums.

13. A method as in claim 1, wherein said foundation is at least a 90% beneficiary of said set of life insurance policies.

14. A method as in claim 1, wherein said third party amount is collateralized by one or more of said reinsurance policy and said life insurance policies.

15. A method for generating funds for a charitable foundation, comprising:

- 2 A. defining a block of individuals associated with said foundation;
- 3 B insuring said block of individuals with a set of single premium universal life
- 4 insurance policies provided by an insurer, wherein said foundation is a beneficiary
- 5 of said life insurance policies and funds provided by a lender are used to pay
- 6 premiums, start-up costs and first year costs associated with procuring said life
- 7 insurance policies;
- 8 C. collaterally assigning said life insurance policies to said lender, until such time as
- 9 said lender is paid in full;
- 10 D. paying death benefits from said life insurance policies to a nominee trustee,
- 11 wherein said trustee holds said life insurance policies and manages said death
- 12 benefits in an escrow account;
- 13 E. investing at least a portion of said premiums to obtain an investment return, and
- 14 defining a cash value associated with said life insurance policies that includes said
- 15 premiums and said investment return;
- 16 F. guaranteeing, by a re-insurer, a minimum amount of death benefits from said
- 17 insurance policies as a function of a projected mortality rate, and paying a
- 18 reinsurance payment to said trustee managed escrow account that is equal to a
- 19 shortfall in death benefits when an actual mortality rate is less than said projected
- 20 mortality rate;
- 21 G. distributing a series of loan payments to said lender from said escrow account,
- 22 until said loan is paid in full, wherein each of said series of loan payments
- 23 includes at least one of an interest payment, a principle payment, or an equity

24 supplement payment; and

25 H. distributing to said foundation a guaranteed annual cash flow from said cash  
26 value.

1 16. A method as in claim 15, wherein said life insurance policies are single premium  
2 universal life policies and said foundation is at least about a 90% beneficiary of said life  
3 insurance policies.

1 17. A method as in claim 15, wherein said block of individuals is at least about 5,000  
2 individuals.

1 18. A method as in claim 15, wherein said loan is taken for a loan term, wherein said loan  
2 term includes a first period and a second period and loan interest payments are made to  
3 said lender through said first period, a loan principle payment is made to said lender at a  
4 close of said first period, and equity supplements are paid to said lender during said  
5 second period.

1 19. A method as in claim 18, wherein said loan term is 20 years, said first period is years 1-17  
2 and said second period is years 18-20.

1 20. A system for generating funds for a charitable foundation, said system comprising:

2 A. an insurer system having an insurance policy processor, configured to generate a

3 set of single premium life insurance policies for a block of individuals for the  
4 benefit of said foundation and further configured to process claims against said  
5 policies, wherein said insurance policy processor includes a claims payment  
6 manager configured to distribute death benefits in response to receipt of valid life  
7 insurance claims;

8 B. an investment account manager, configured to invest a substantial portion of said  
9 premiums to generate investment returns, wherein said insurer system determines  
10 a cash value associated with said life insurance policies that includes said  
11 premiums and said investment returns;

12 C. a lender system, configured to generate a loan of sufficient amount to pay  
13 premiums associated with said life insurance policies and a set of startup costs,  
14 including first year costs;

15 D. a re-insurer system, configured to manage a reinsurance policy that guarantees a  
16 minimum amount of death benefits from said life insurance policies, wherein said  
17 re-insurer system generates and distributes a re-insurance payment in an amount  
18 equal to a shortfall in said death benefits, in response to an actual mortality rate  
19 being less than a projected mortality rate;

20 E. a trustee system configured to manage an escrow account, including:

21 i) a debit manager configured to add said death benefit distributions and said  
22 reinsurance payments to said escrow account; and

23 ii) a payment manager configured to distribute a series of loan payments to  
24 said lender system, reinsurance premiums to said re-insurer system; and

25 F. a cash flow generator configured to distribute a predetermined annual cash flow to  
26 said foundation.

1 21. A system as in claim 20, wherein said first year costs include a first year reinsurance  
2 premium, a first year trustee fee, and a first year interest payment on said loan.

1 22. A system as in claim 20, wherein said first year costs are used to seed said escrow  
2 account.

1 23. A system as in claim 20, wherein two or more of said insurer system, said re-insurer  
2 system, said trustee system, and said lender system are coupled together via a network.

1 24. A system as in claim 20, wherein at least some of said death benefit distributions, said re-  
2 insurance payment distributions, said investment return distributions, said loan payments,  
3 said reinsurance premium payments, and said annual cash flow to said foundation are  
4 accomplished by electronic funds transfer via said network.

1 25. A system as in claim 20, wherein a program manager system includes said separate  
2 investment account manager coupled to said investment account manager and configured  
3 to manage the investment of said premiums.

1 26. A system as in claim 20, further comprising a program manager system configured to

2 facilitate selection of an insurer from a candidate set of insurers, a trustee from a set of  
3 candidate trustees, a lender from a candidate set of lenders, and a re-insurer from a  
4 candidate set of re-insurers, on behalf of said foundation.

1 27. A system as in claim 20, wherein said series of loan payments includes at least one of an  
2 interest payment, a principle payment, or an equity supplement payment.

1 28. A system as in claim 20, wherein said trustee system is configured to terminate said re-  
2 insurance policy upon satisfaction of payment obligations to said lender.

1 29. A system as in claim 20, wherein said insurer system comprises said investment account  
2 manager and said cash flow generator.